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April 30, 2009

Dean Matsuura
Manager, Regulatory Affairs
Hawaiian Electric Company, Inc.
P.O. Box 2750
Honolulu, Hawaii 96840-0001

Re: Docket No. 2008-0274; Proceeding to Investigate Implementing a Decoupling Mechanism for Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., and Maui Electric Company, Limited ("HECO Companies")

Dear Mr. Matsuura:

Enclosed please find information requests ("IRs") for the HECO Companies prepared by the Commission's consultant, the National Regulatory Research Institute, for the above-referenced docket. The HECO Companies are directed to respond to the IRs within fourteen days of the date of this letter.

Please contact the undersigned if you have any questions.

Sincerely,

Kaiulani Kidani Shinsato

Kaiulani Kidani Shinsato
Commission Counsel

KKS:cp

Enclosure

c: Service List

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1. Please refer to your revised response to PUC-IR-14.

   a. Confirm that the historical sales for HECO were greater in 2004 than for any of the four years following. If not, please explain.

   b. Confirm that on a consolidated basis, for HECO, HELCO, and MECO ("HECO Companies"), for the five years from 2004-2008, that sales were stable except for the drop in 2008. If not, please explain.

   c. Confirm that customer growth occurred for each utility and that row 9 is the amount of revenues associated with that growth. If not, please explain.

   d. Confirm that for the period 2004-2008, that sales per customer have been declining each year for each utility. If not, please explain.

   e. As a comparative reference, please provide a total sales decoupling adjustment and a sales per customer decoupling adjustment for the period of 2005-2008, using 2004 as the base for sales.

   f. Please provide the requested responses to rows 35 to 41, recognizing that it is not your proposed decoupling approach.

2. Please refer to your response to PUC-IR-15.

   a. Are the "estimated revenues generated through the proposed RAM" annual incremental revenues <u>or</u> annual revenues above the last rate case (e.g., if the annual incremental revenues were $5, $8 and $6 for three years after the rate case, then the total RAM effect in year three would be $19 or the sum of the three)? If neither, please explain.

   b. Would it be correct to conclude that the revenue growth lost to decoupling is equal to PUC-IR Row 9, when Row 8 is negative and to the total of Row 8 and Row 9, when both are positive? If not, please explain how to calculate revenue growth lost to decoupling.

   c. Please segregate the decoupling and RAM portions of the proposed adjustments.

3. In the HECO Companies' response to PUC-IR-21, other HCEI costs are mentioned. Please quantify these costs by year.

4. In reference to DBEDT's Opening Statement of Position, filed on March 30, 2009, how are the RAM's increased revenues linked to the HECO Companies' compliance with RPS or other renewable goals?

5. Please refer to your response to PUC-IR-17. Is the following summary correct? If not, please explain.

Change from total sales decoupling	States where currently in place
Hybrid RAM	NY, OR (capital cost exempted; O&M escalated on a per customer basis)
All Forecast RAMs	CA, NY
Full Indexing	CA
Inflation Only RAMs	none
Revenue Per Customer Freezes	AR, CO, ID, IL, IN, MD, NC, NJ, NY, OH, OR, UT, VA, WA, WI
SFV	GA, MO, ND, OH

6. Please estimate the incremental cost of serving an additional customer, by class, and provide the supporting calculations for this estimate.

7. Please quantify the effect that the proposed RAM has on the HECO Companies' return on equity ("ROE")?

8. Please quantify the effect that decoupling without the RAM (revenue stability) has on the HECO Companies' ROE?

9. Please quantify the effect that a revenue per customer decoupling RAM has on the HECO Companies' ROE?

10. In your response to PUC-IR-6, the HECO Companies state that attachment 15A.2 from the HECO Companies' Revenue Decoupling Proposal, filed on January 30, 2009, is for "illustrative purposes only." Should the Commission consider these and other examples (such as those in response to PUC-IR-14 and 15) to be illustrative, or the HECO Companies' best estimates of the effect of the HECO Companies' decoupling and RAM proposals?

11. In response to PUC-IR-2, the HECO Companies dismiss the need for service quality targets as part of a decoupling initiative. Please discuss service quality targets that have been used as part of price or revenue cap regulatory paradigms (e.g., Massachusetts).

12. Is the following a complete list of the changes made to the HECO Companies' original proposal and now included in the joint proposal with the Consumer Advocate? If not, please explain.

a. The inclusion of an asymmetric earnings-sharing method;

b. The use of two indices, the GDPPI for non-labor and the labor contract rate for labor;

c. A 0.76% productivity adjustment on labor costs;

d. Using a 6% interest rate on over and under collections;

e. Review period – file decoupling and RAM adjustments based on previous historical year's actual data by 2/28, with rate changes commencing 5/1;

f. Exclude investments other than plant additions from the RAM rate base adjustment (e.g, exclude CIS, AMI, inventory, cash working capital).